



Financial Statements

as of June 30, 2023

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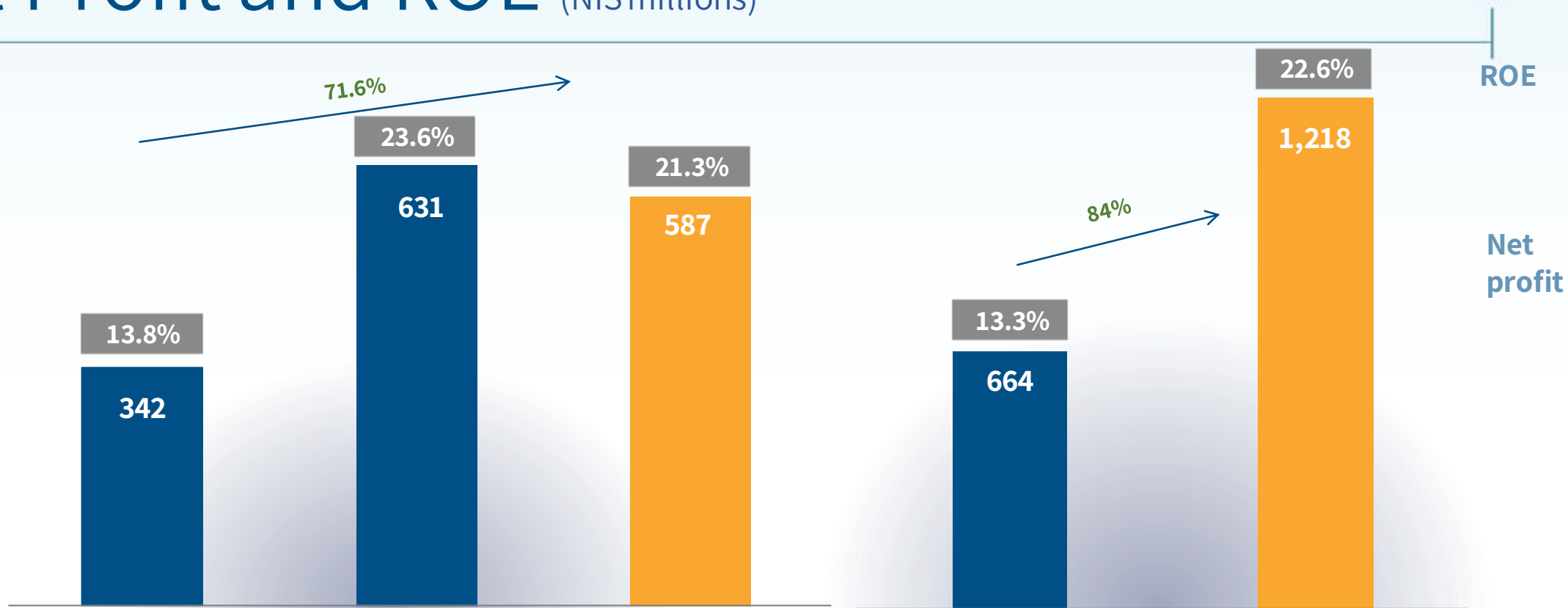
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Net Profit and ROE (NIS millions)



	Q2.2022	Q1.2023	Q2.2023	1-6.2022	1-6.2023
Tier 1 capital ratio	10.15%	10.55%	10.64%	10.15%	10.64%
BOI interest (average)	0.47%	3.92%	4.59%	0.29%	4.25%

Principal Information H1.23 (compared to H1.22)

Profitability

Net profit **growth**

1,218 **84%**
1-6.2023 change



Revenue **growth**

3,435 **44%**
1-6.2023 change



Financing income **growth**

2,672 **66%**
1-6.2023 change



ROE

22.6% 13.3%
1-6.2023 1-6.2022



Growth

Credit **growth** (end of period)

5.4% 2.5%
Compared to Compared to
30.6.22 31.12.22



Client asset **growth** (end of period)

8.8% 9.2%
Compared to Compared to
30.6.22 31.12.22



Deposit **growth** (end of period)

8.8% 6.4%
Compared to Compared to
30.6.22 31.12.22



Efficiency and Financial Strength

Liquidity coverage ratio **growth**

134% 125%
Q2.2023 Q2.2022



Efficiency ratio

42.6% 56.6%
1-6.2023 1-6.2022



Expenses rate for Credit loss

0.29% 0.06%
1-6.2023 1-6.2022



NPL ratio

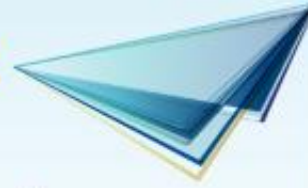
0.49% 0.55%
30.6.23 30.6.22



Tier 1 capital ratio

10.64% 10.15%
30.6.23 30.6.22





Principal Information Q2.23 (compared to Q2.22, Q1.23)

Profitability

Net profit **change**

587 (7%) **72%**
 Compared to Q1.23 Compared to Q2.22



Revenue **growth**

1,735 2% **44%**
 Compared to Q1.23 Compared to Q2.22



Financing income **growth**

1,361 3.8% **63%**
 Compared to Q1.23 Compared to Q2.22



ROE

21.3% 13.8%
 Q2.23 Q2.22



Growth

Credit **growth** (end of period)

5.4% **0.2%**
 Compared to 30.6.22 Compared to 31.3.23



Client asset **growth** (end of period)

8.8% **4.8%**
 Compared to 30.6.22 Compared to 31.3.23



Deposit **growth** (end of period)

8.8% **3.2%**
 Compared to 30.6.22 Compared to 31.3.23



Efficiency and Financial Strength

Liquidity coverage ratio **growth**

134% **131%** 125%
 Q2.23 Q1.23 Q2.22



Efficiency ratio

42.7% 42.6% 54.8%
 Q2.23 Q1.23 Q2.22



Expenses rate for Credit loss

0.33% 0.25% 0.11%
 Q2.23 Q1.23 Q2.22



Condensed Income Statement 1-6.2023

(NIS millions)	1-6.2023	1-6.2022	Change (before taxes)	% change
Interest income, net	2,593	1,603	990	61.8%
Non-Interest financing income	79	12	67	558%
Net financing income	2,672	1,615	1,057	65.5%
Credit loss expenses (0.29% compared to 0.06% in the corresponding period)*	171	31	140	449%
Fees	756	755	1	0.1%
Total income (<u>before</u> provision for credit losses)	3,435	2,378	1,057	44.4%
BOI interest (average)	4.25%	0.29%	3.96%	
FED interest (average)	4.92%	0.61%	4.31%	

- In H1.2023, income in respect of an individual provision of NIS 27 million was recorded. On the other hand an the collective provision increased by NIS 198 million largely due to higher capital buffers following concerns as to the impact of macroeconomic projections considering the economic uncertainty, among other things in light of interest rate hikes, geopolitical developments in Israel and globally, and the probability of an economic downturn.

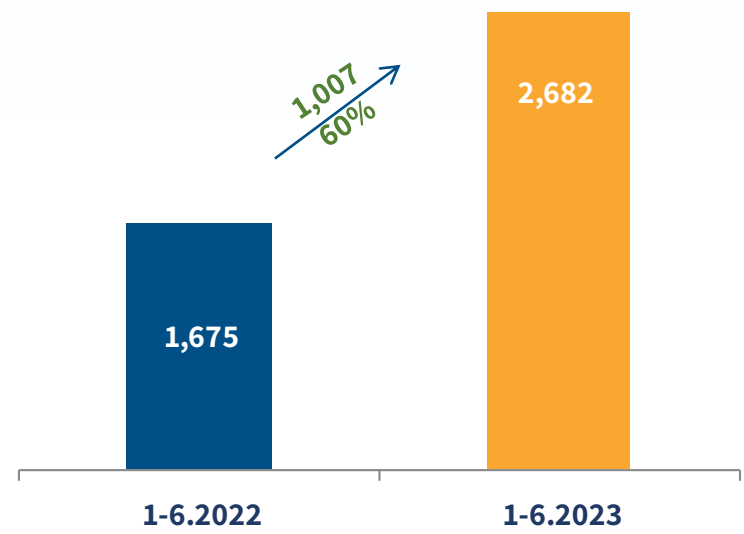
Condensed Income Statement (continued) 1-6.2023

(NIS millions)	1-6.2023	1-6.2022	Change (before taxes)	% change
Total operating and other expenses	1,464	1,346	118	8.8%
Salaries and related expenses (including bonuses and special provision)	915	815	100	12.3%*
Maintenance and depreciation of premises and equipment	167	163	4	2.5%
Amortization and impairment of intangible assets	60	55	5	9.1%
Other expenses	322	313	9	2.9%
Profit before taxes	1,800	1,001	799	79.8%
Provision for taxes	622	348	274	78.7%
The Bank's share in earnings of ICC	84	37	47	126%
Attributed to shareholders of the Bank	1,218	664	554	84%

- The increase in payroll expenses is the largely the result of an increase in the provision for bonuses and salary increases. The higher payroll expenses are due, among other things, to the signing of employment contracts for the years 2023-2026

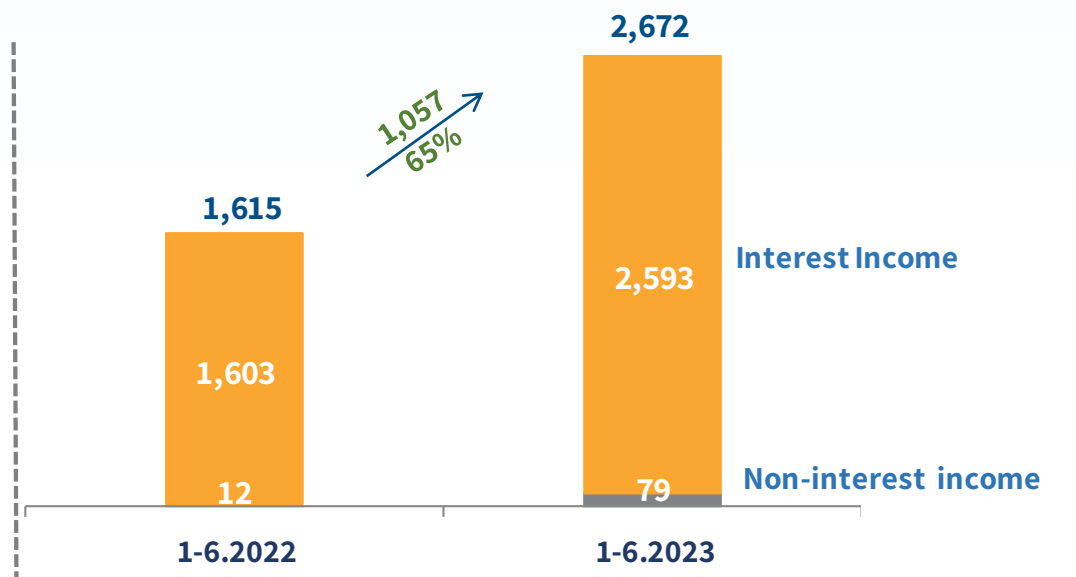
Net Financing Income 1-6.2023 (NIS millions)

Financing income from current activities* (excluding fair value of derivative instruments and investment income)



* Excluding non-current activities : Nostro account gains and fair value of derivative instruments.

Interest and non-interest income

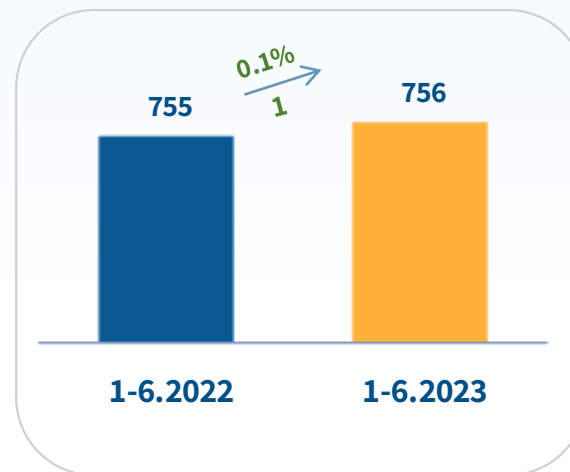


0.29%	4.25%	NIS interest rate (average)
0.61%	4.92%	FED interest rate (average)

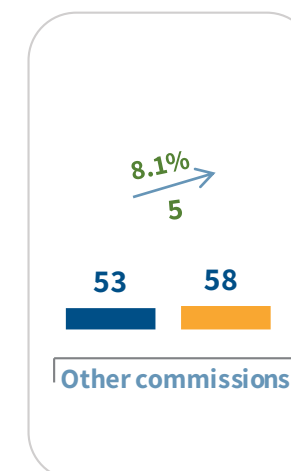
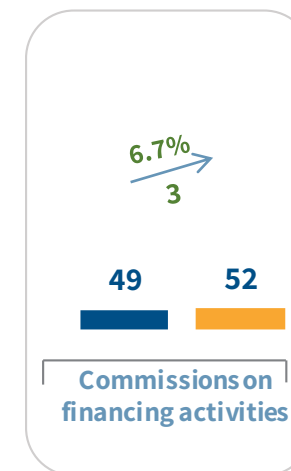
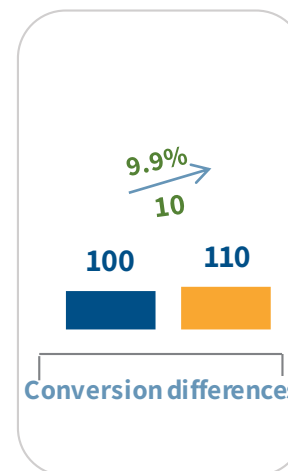
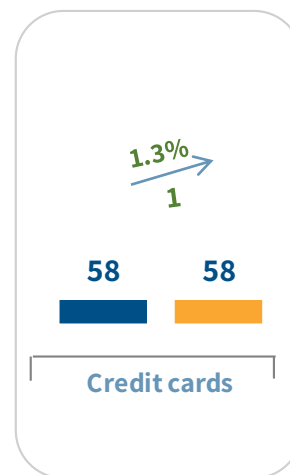
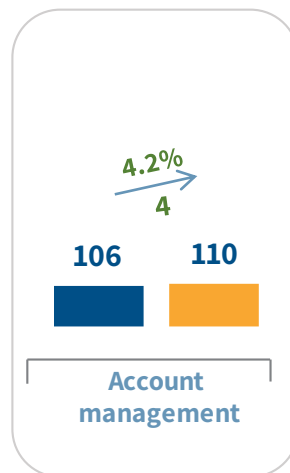
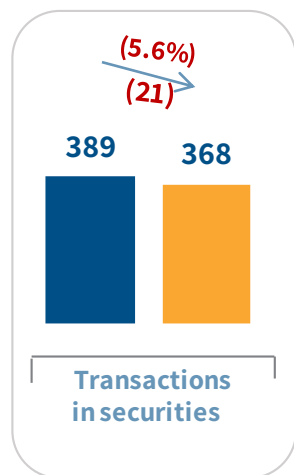
Main Commissions

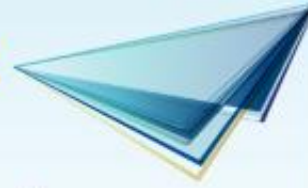


H1.2023 compared to H1.2022 (NIS millions)



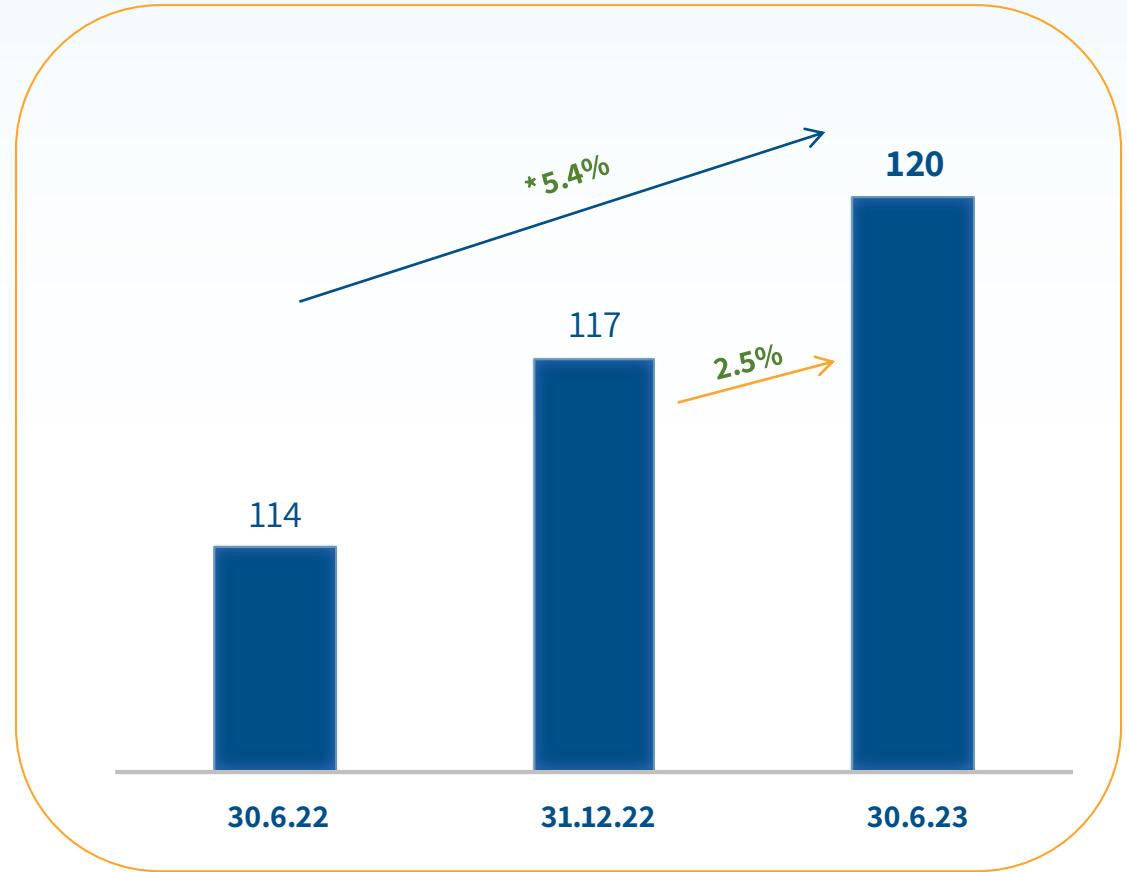
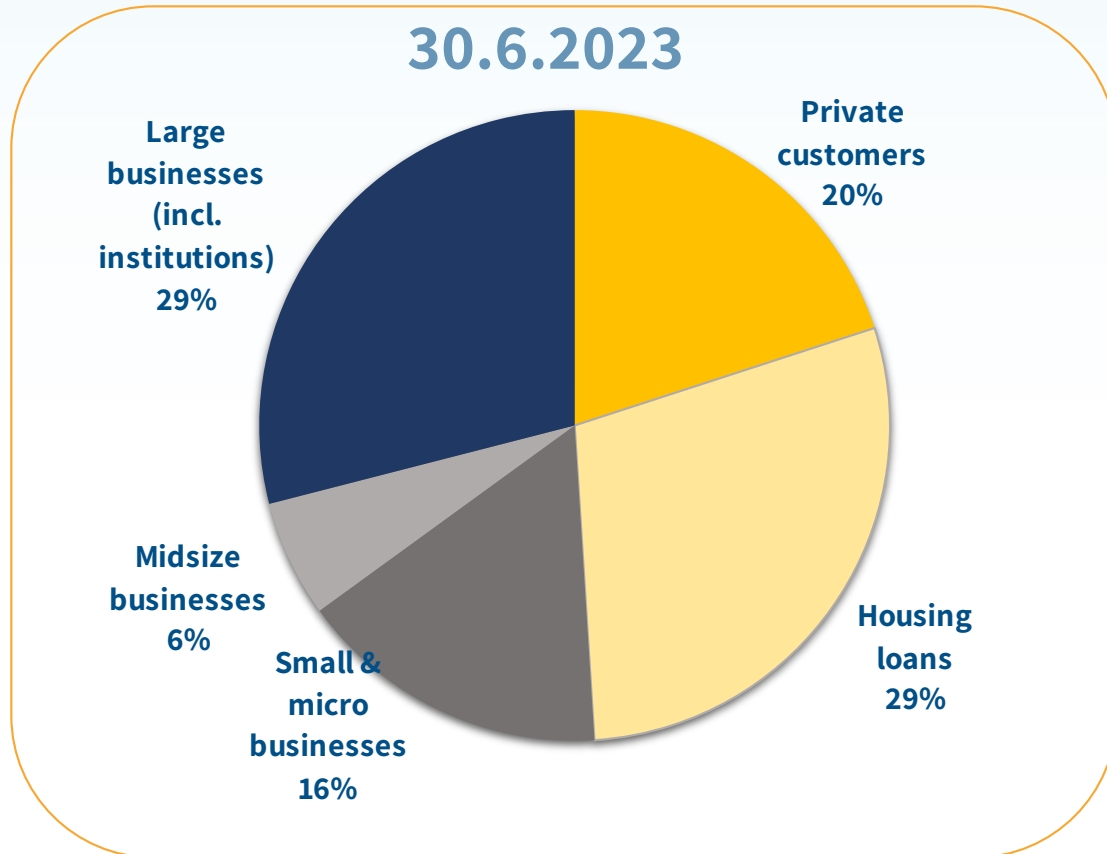
1-6.2023 ■
1-6.2022 ■





Credit Portfolio Growth

End of period (NIS billions)

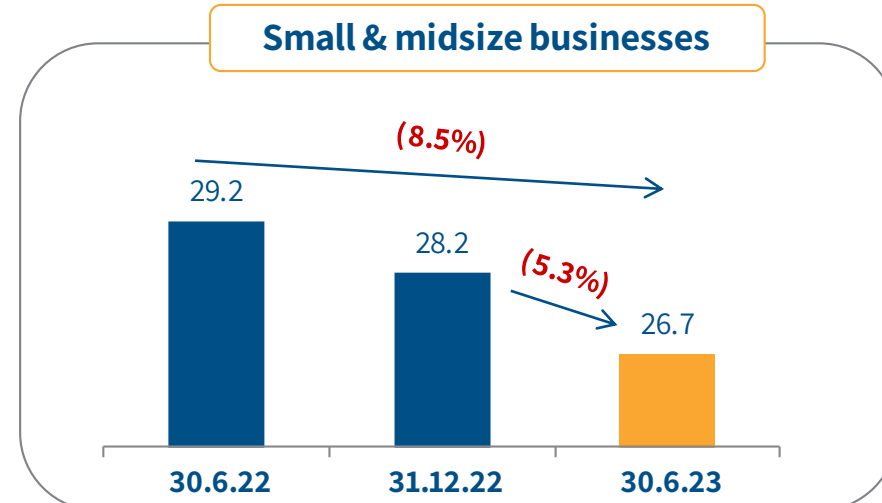
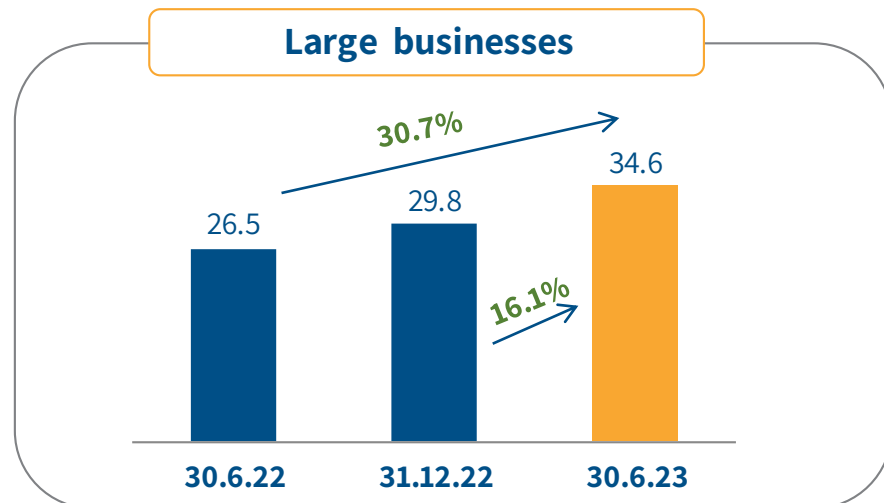
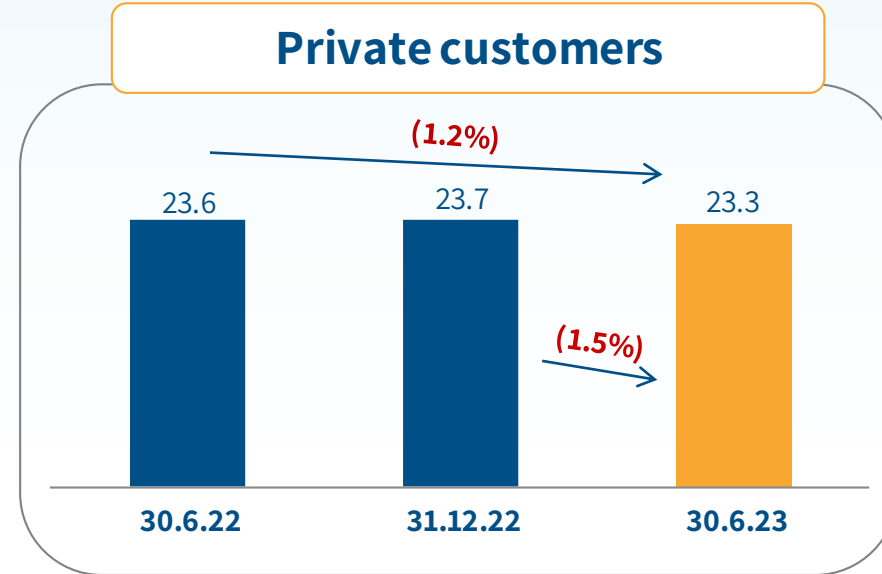
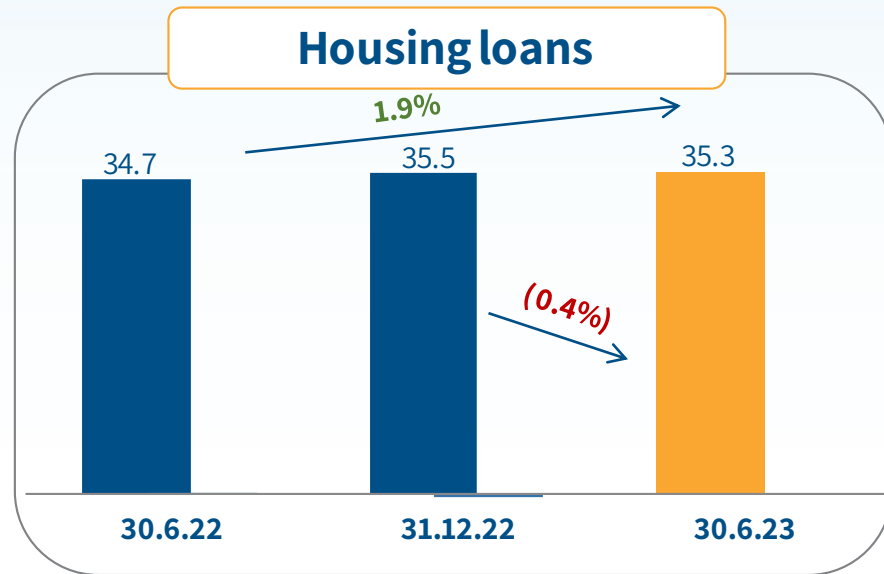


High quality, diversified credit-
Housing loans & households comprise **49%** of credit portfolio

*Total average credit balance increased by 10.7% in H1-23 (NIS 11.4 billion) compared to H1-22.

Credit Portfolio

End of period (NIS billions)



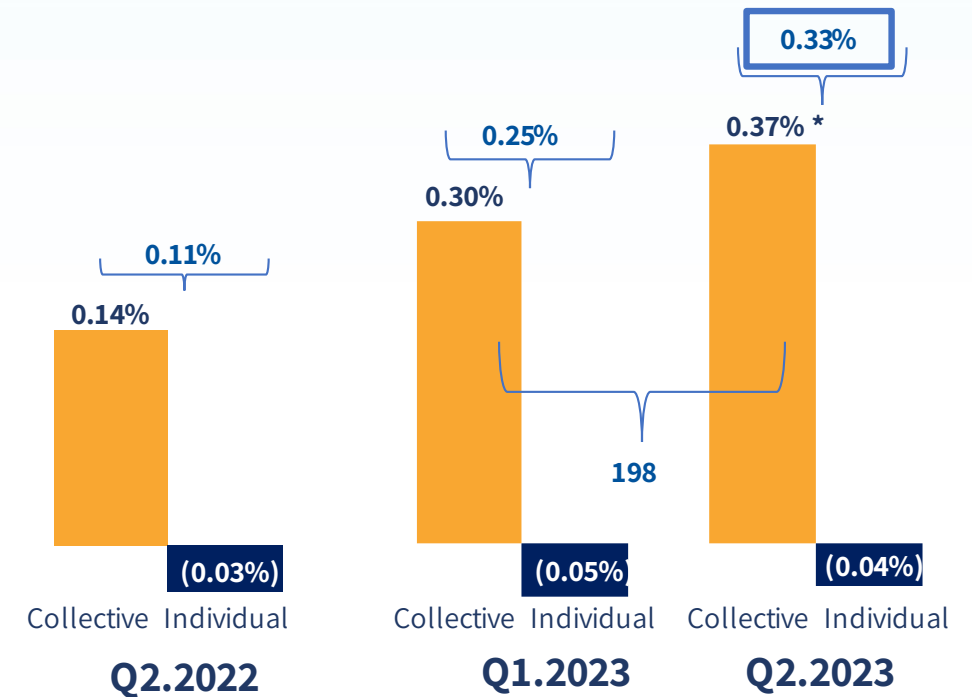
Credit Quality and Credit Loss Expense Rate

Problematic credit risk (NIS millions) and credit quality indices

	30.6.22	30.6.23
Ratio of provision for credit losses to credit to the public - allowance buffers	1.08%	1.23%
Ratio of non-accruing credit or in arrears of 90 days or more to credit to public (NPL)	0.55%	0.49%
Ratio of provision for credit losses to the balance of non-accruing credit to the public	185%	238%

An decrease of 15% in the problematic credit risk (non-accrual), to 30.6.23 compared to 30.6.22.*

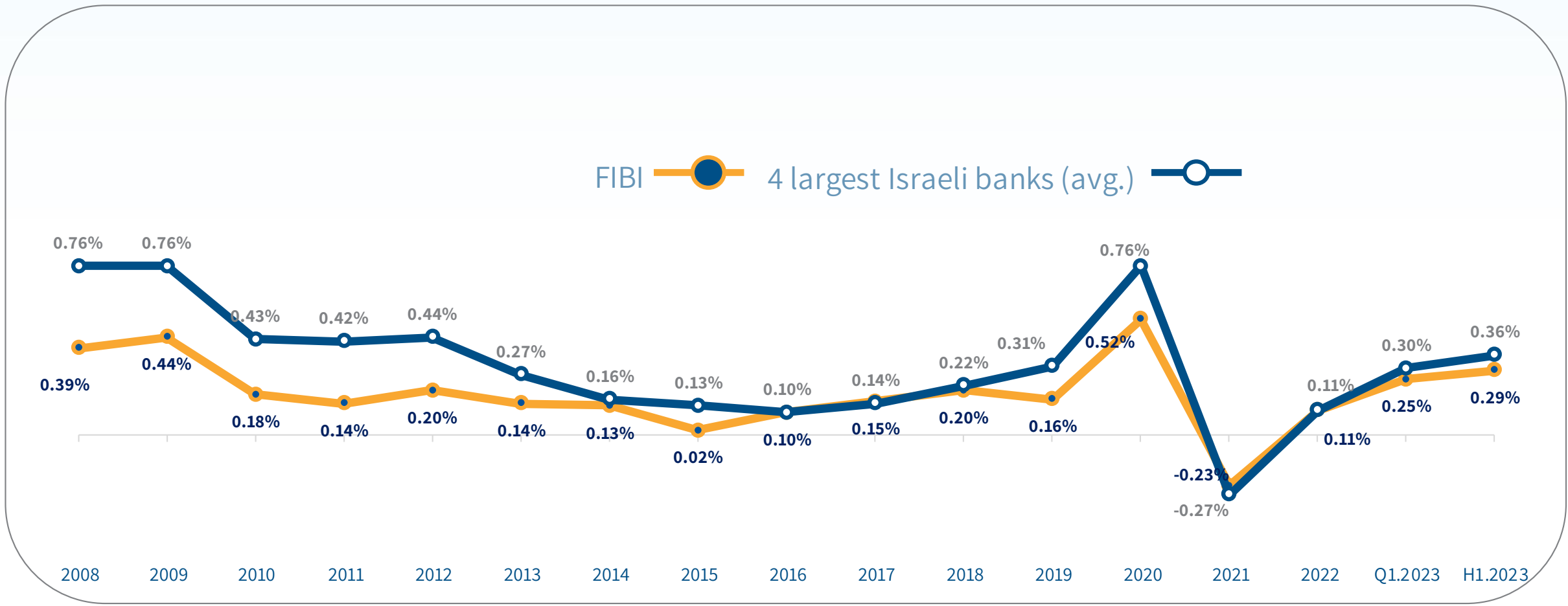
Individual income and collective expense from credit losses (NIS millions)



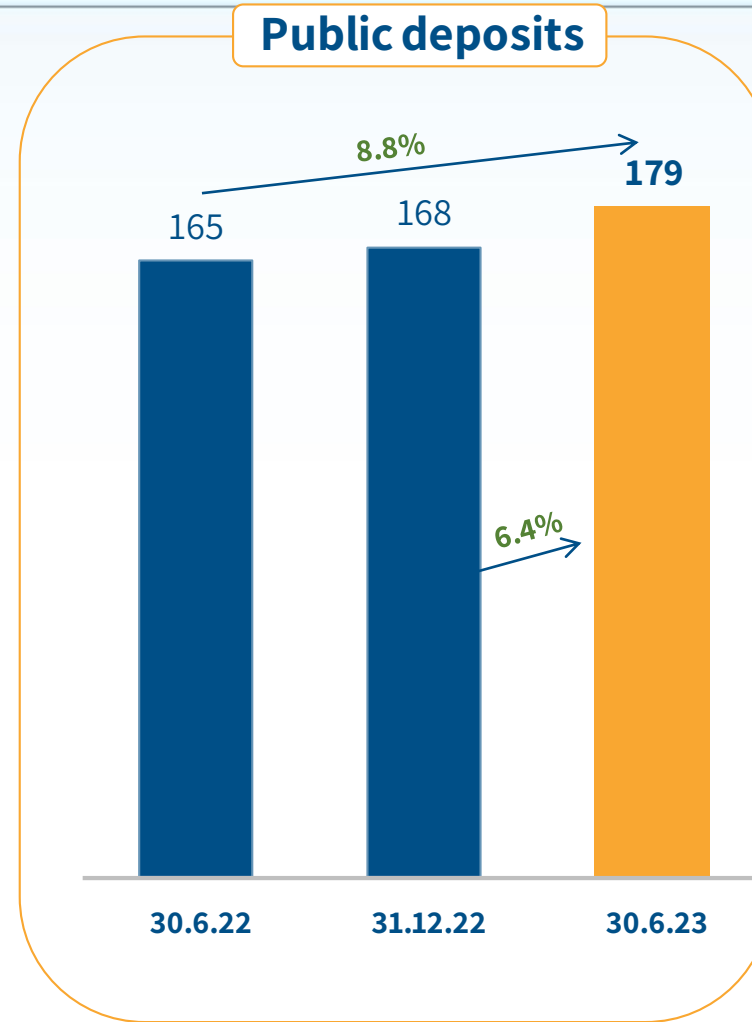
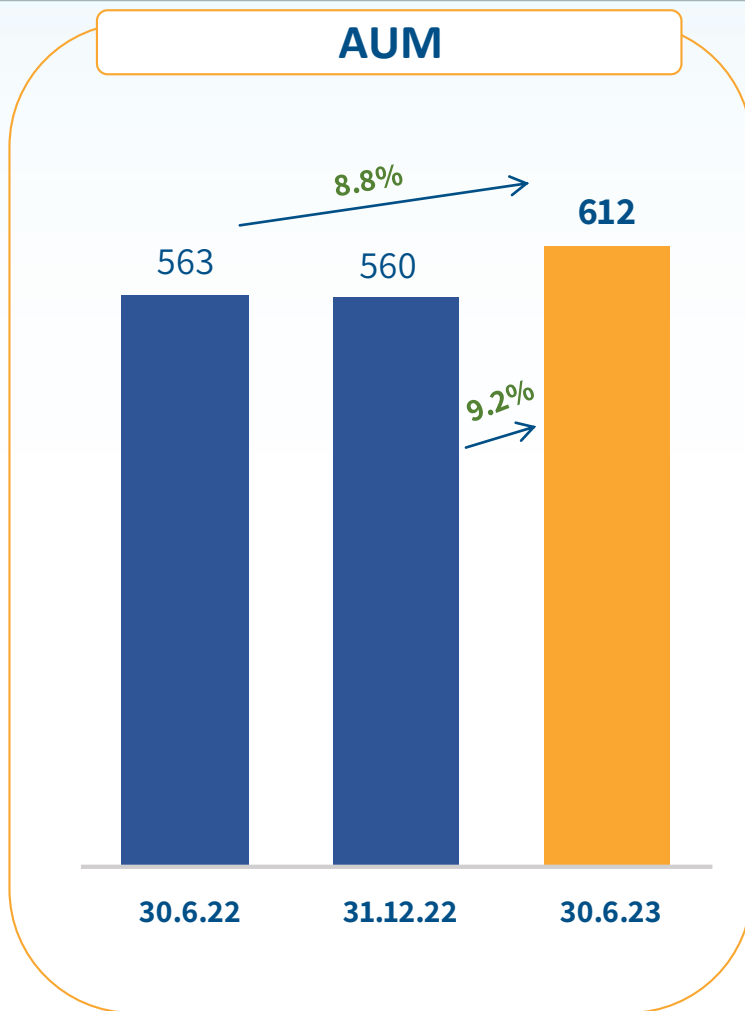
*An increase of NIS 198 million in the collective provision, largely due to higher capital buffers following concerns as to the impact of macroeconomic projections considering the economic uncertainty, among other things in light of interest rate hikes, geopolitical developments in Israel and globally, and the probability of an economic downturn.

Ratio of expenses (income) from credit losses to average total credit

FIBI's moderate credit policy resulted in lower provision rates



Public deposits and AUM End of period (NIS billions)



42%

33%

26%

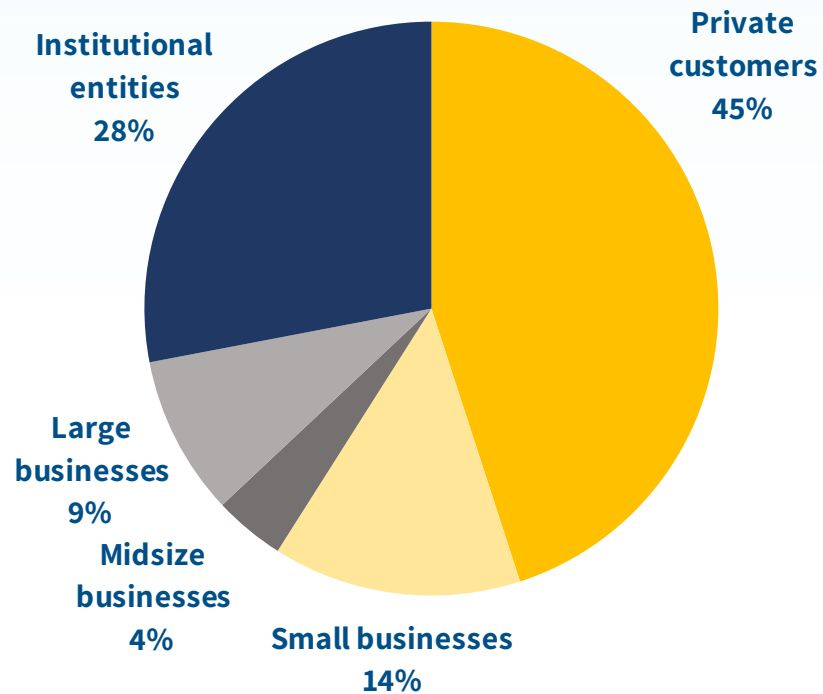
Rate of non-interest bearing deposits out of total public deposits

Public deposits

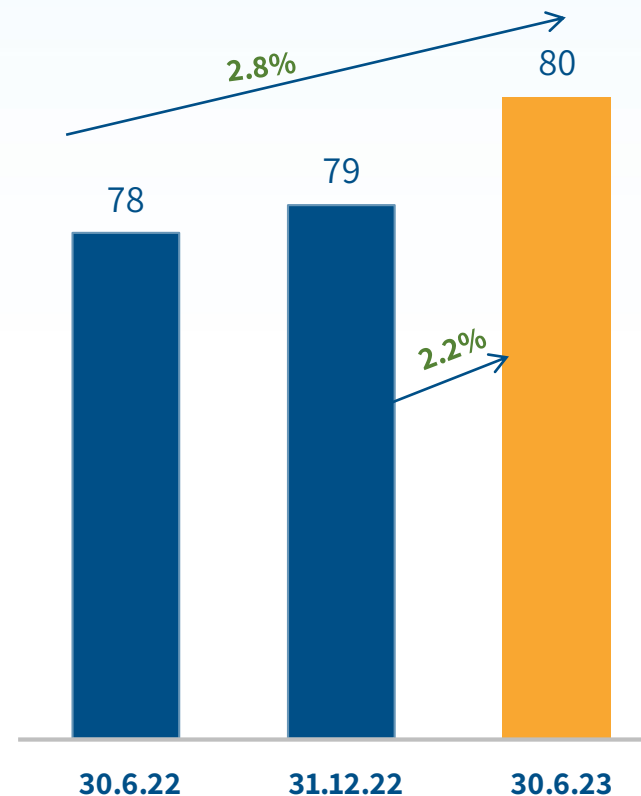
End of period (NIS billions)

Deposit portfolio

30.6.23



Private customers



Diversified deposit portfolio- **59%** private customers and small businesses

Financial Strength

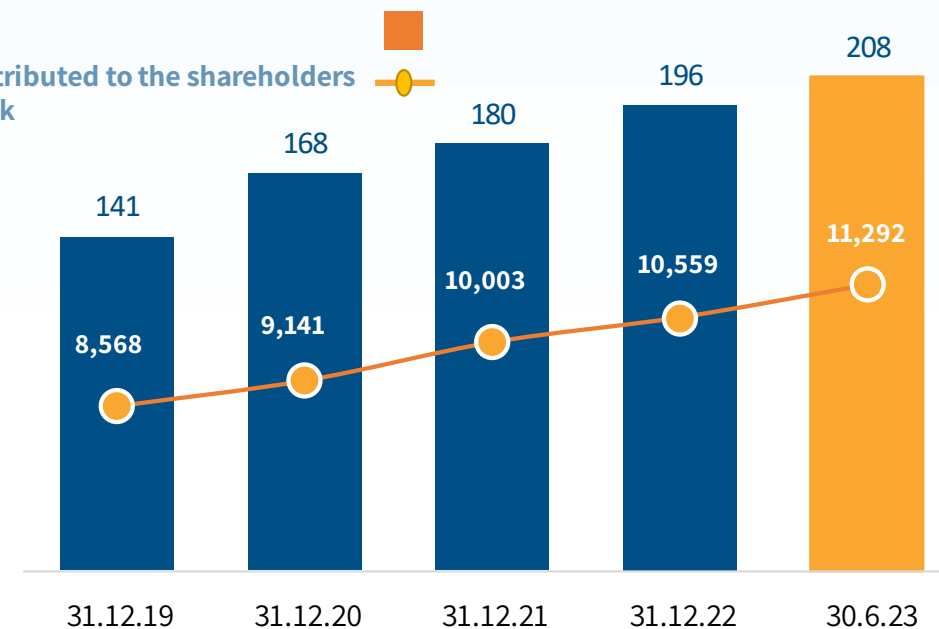
Capital attributed to the shareholders of the Bank, and financial ratios – end of period, in NIS billions

	31.12.22	Positive gap above the regulatory requirement	30.6.23
Tier 1 capital ratio	10.42%	1.40%	10.64%
Total capital ratio	13.75%	1.42%	13.92%
Liquidity ratio	127%	33%	134%
Deposit to loan ratio	145%	-	151%
Leverage ratio*	5.19%	0.70%	5.20%

* As of June 30, 2023, cash balances in the BOI totaled NIS 55.6 billion. Leverage ratio excluding deposits at the BOI – 6.9%

Balance

Capital attributed to the shareholders of the Bank



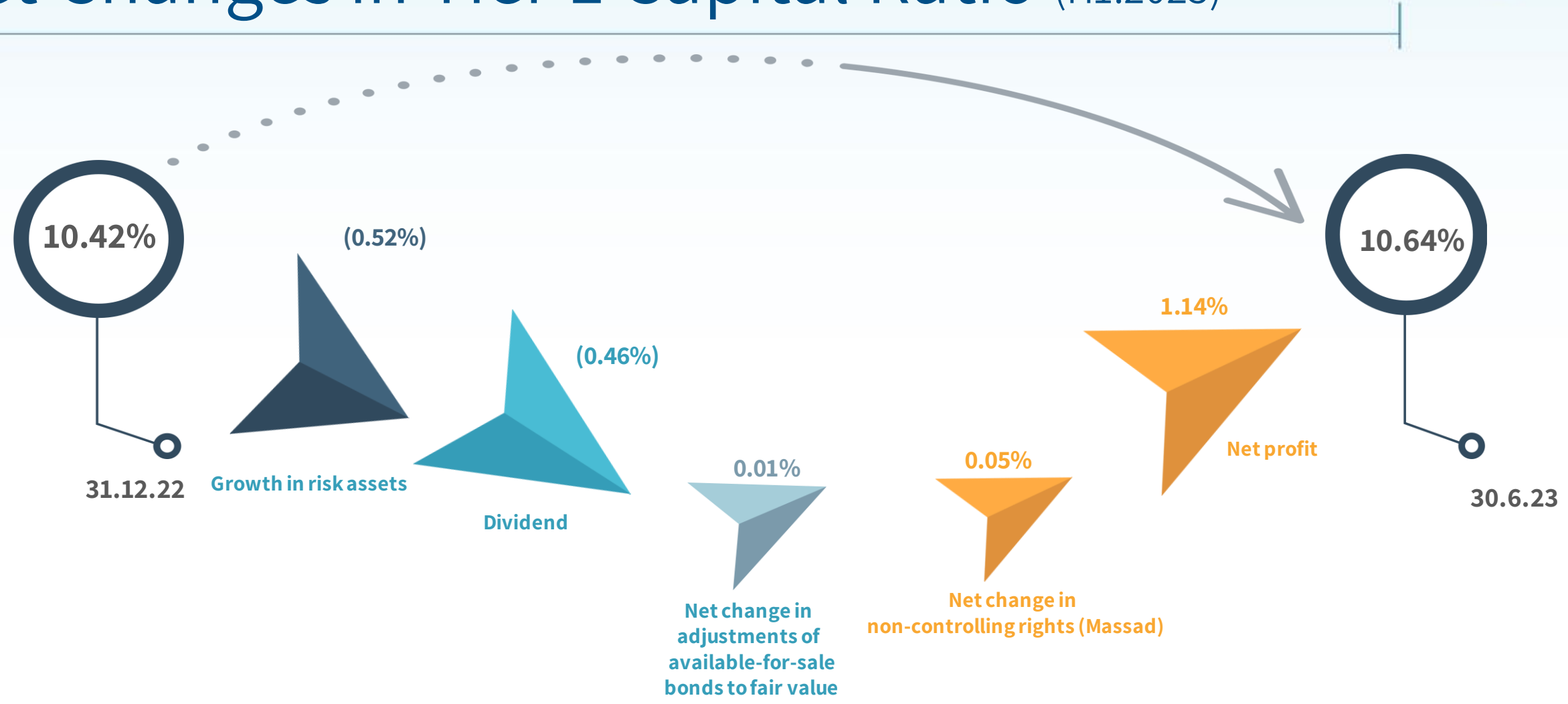
Bank's rating:

Maalot (S&P)(AAA) – (10.1.23)

Midroog (Aaa) – (6.8.23)

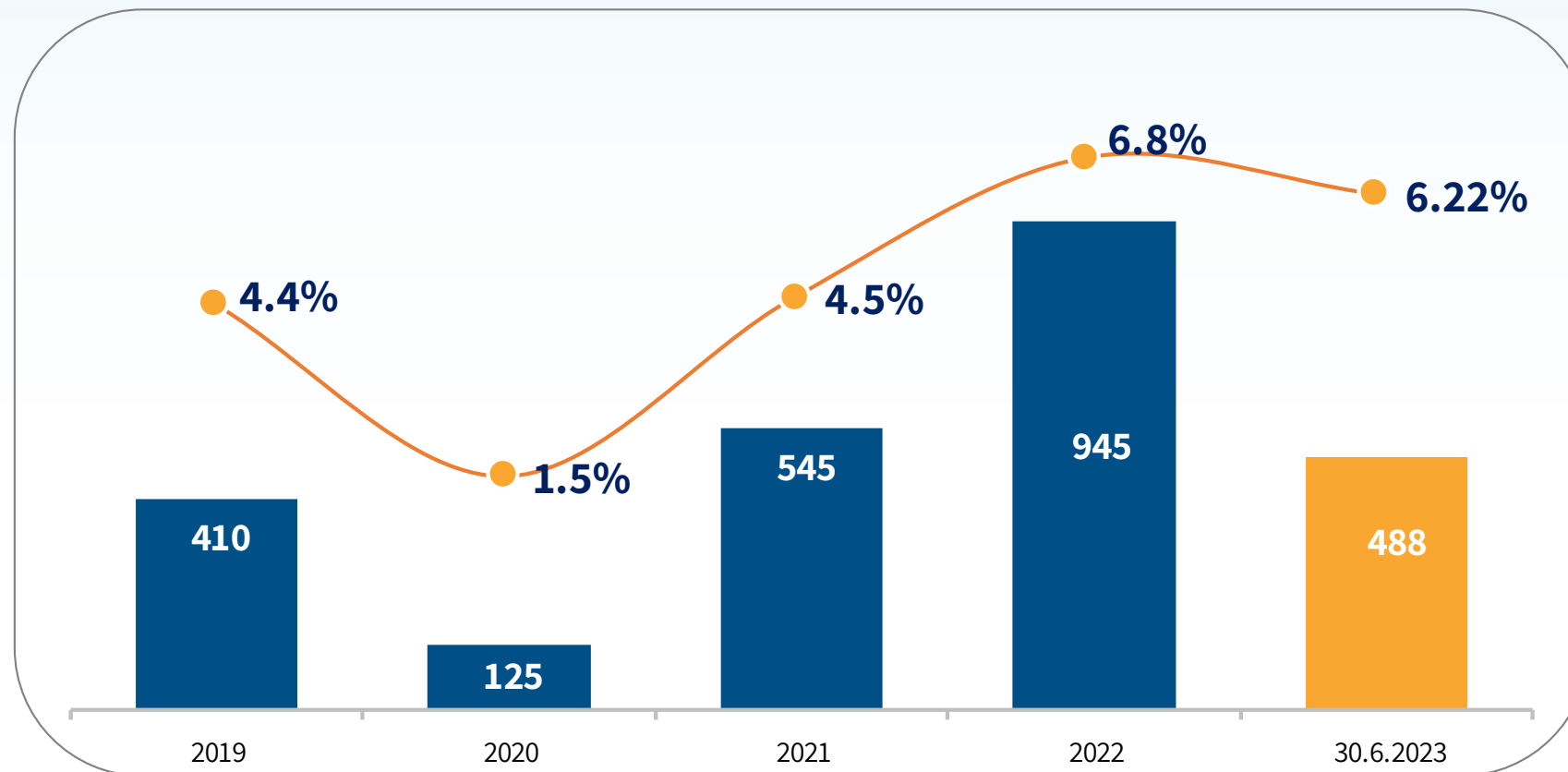
Moody's (A2) – (23.5.23)

Net Changes in Tier 1 Capital Ratio (H1.2023)



High Dividend Yield

(NIS millions)



Since the Bank's policy calls for an annual distribution of up to 50% of annual net income, and mainly in light of the current uncertainty in Israeli and global markets, on August 15, 2023, the Board of Directors of the Bank decided to approved a cash dividend to shareholders totaling NIS 220 million of the net profit for Q2 2023 (similar to Q1 2023).

Securities Portfolio

	30.6.23			31.12.22			Change %
	Book value (NIS millions)	Duration	%	Book value (NIS millions)	Duration	%	
A . Bonds held to maturity	3,415	3.40	15%	3,138	3.67	20%	9%
Of which: Israel government (95%)	3,251	3.40	14%	2,941	3.64	18%	11%
B . Bonds available for sale	18,723	1.46	82%	12,401	2.12	77%	51%
Of which: Israel government (52%)	8,627	2.32	38%	8,041	2.67	50%	7%
Of which: US government (43%)	9,266	0.42	40%	3,683	0.72	23%	152%
C . Investment in not-held-for-trading securities	447		2%	444		3%	1%
D . Held-for trading securities (Israel government bonds)	378		2%	27		0%	
Total securities	22,963	1.69	100%	16,010	2.43	100%	43%

Key Highlights- H1.23 compared H1.22

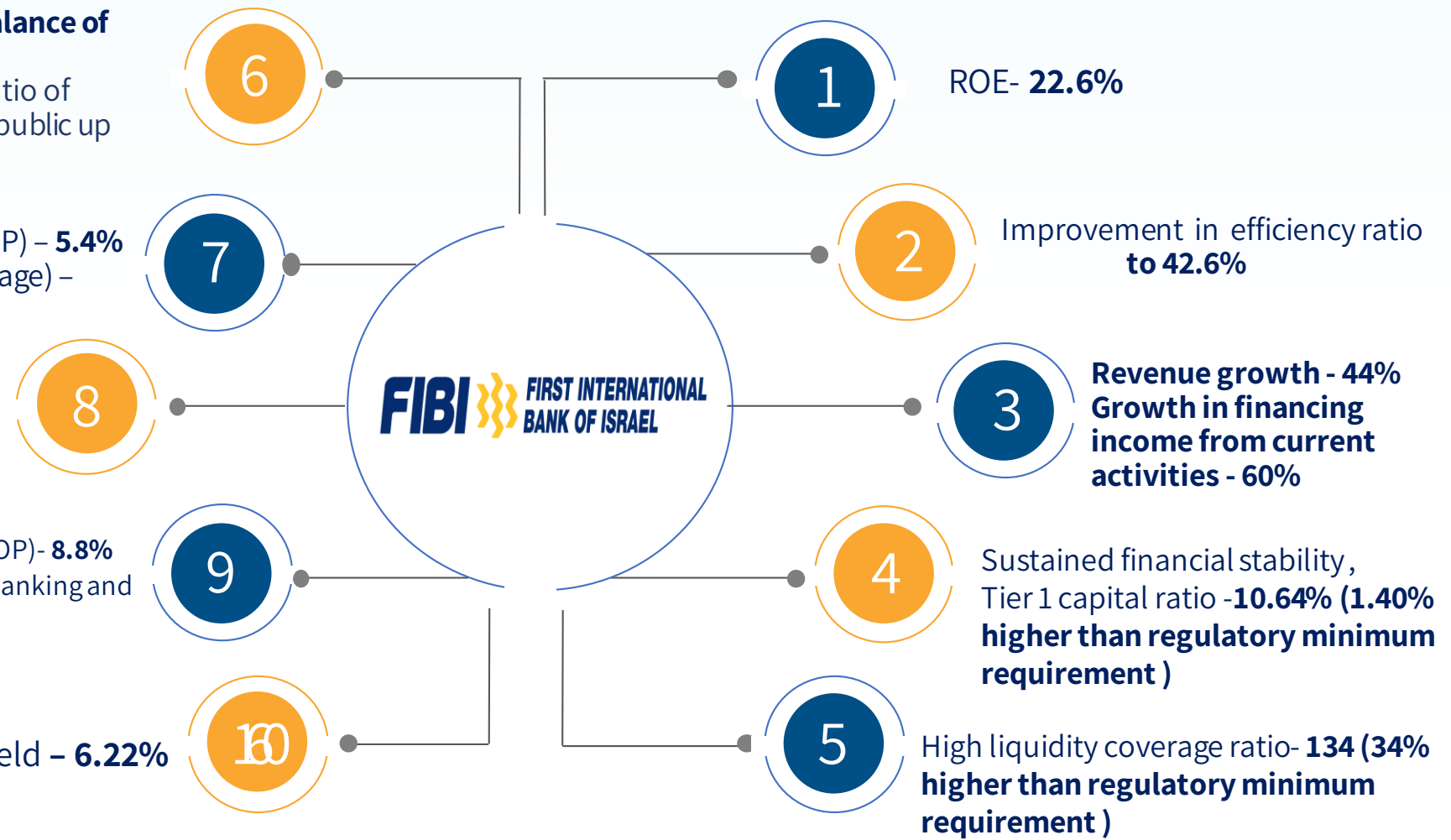
Low NPL (**0.49%**)
Ratio of provision for credit losses to the balance of non-accruing credit to the public – 238%
increase in allowance buffers– increase in ratio of the provision for credit losses to credit to the public up from 1.08% on 30.6.22 to **1.23%**

Growth in balance of credit to the public (EOP) – 5.4%
 Growth in balance of credit to the public (average) – **10.7%**

Growth in Assets Under Management (EOP) – 8.8%

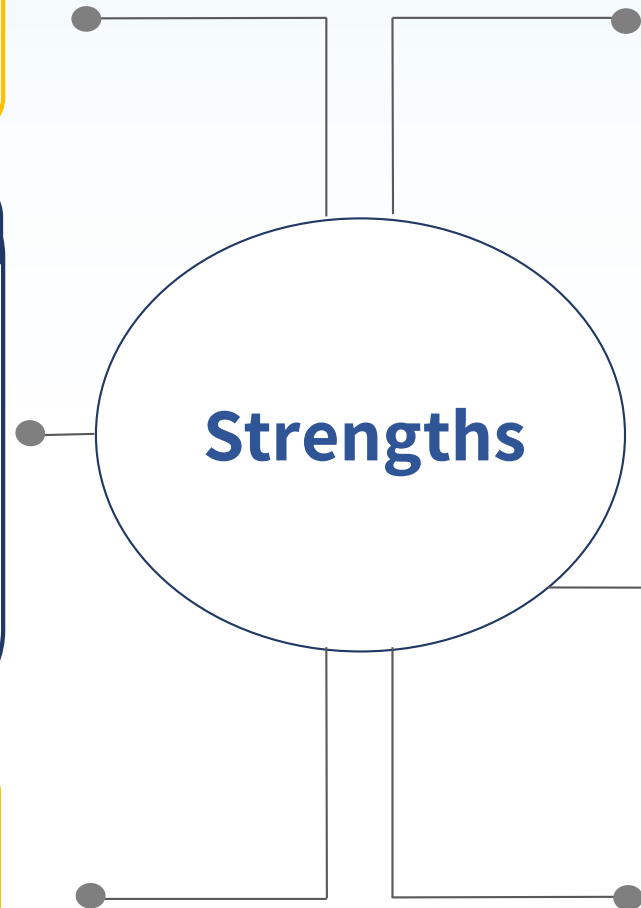
Growth in balance of deposits by to the public (EOP)- 8.8%
 Diversified deposit portfolio- households, private banking and small businesses- **59%**

Dividend yield – **6.22%**





Thank You



Leadership in capital market services

- No. 1 in trading volumes on the TASE
- Management of a client asset portfolio of NIS 612 billion (securities and deposits)

Innovation and digitization in the capital market

The Bank invests in the development of advanced technology tools and diverse trading possibilities:

- IPO subscription, premarket trading, hedge fund trading and mutual fund trading, and soon – after-hours trading.
- **AI reports:** An advanced service from BridgeWise that enables automatic equity analysis of over 40,000 publicly traded companies worldwide using AI.
- **Advise.me:** A personalized stock advisory mobile app.
- **FIBI Wise:** An advanced personal financial management and planning tool, the first of its kind in Israeli banks, offering family office services to individual clients.

Specialization in capital market operations services

The Bank specializes in capital market operations services and is growing in Banking-as-a-Service activities, mainly for institutions and funds.

Leadership and focus on retail banking, including growing niches

By providing high-quality retail service to all clients, including high-net-worth individuals, the security forces, teachers, the ultra-Orthodox and Arab sectors (through Bank Massad), the Bank drives continuous growth.

- **The Bank won the Ministry of Defense tender** for the provision of banking services to the security forces, for the continued operation of branches at IDF bases for another decade. Previously, the Bank won a tender for the provision of banking services to **the teacher community** at Bank Massad.

High market shares and specialization in:

- Private banking, retail banking and SME banking
- Forex dealing rooms
- Foreign and Israeli securities
- Foreign trade
- Factoring

Wealth Management

The Bank specializes in wealth management, and as part of its strategic leadership in capital market and private banking services, offers clients a diverse wealth management service package.